

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7406

BILL NUMBER: HB 1583

NOTE PREPARED: May 1, 2013

BILL AMENDED: Apr 26, 2013

SUBJECT: Review of Administrative Rules.

FIRST AUTHOR: Rep. Harman

FIRST SPONSOR: Sen. Yoder

BILL STATUS: Enrolled

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *Appointment of Members to the Administrative Rules Oversight Committee:* This bill sets forth procedures for the appointment of: (1) the members of the Administrative Rules Oversight Committee; and (2) the committee's chair.

Economic and Fiscal Impact Statements for Rules: This bill requires economic impact information related to a rule that is prepared by an agency to be submitted to the committee. It requires the fiscal impact statement prepared by the Office of Management and Budget (OMB) for proposed rules with an economic impact exceeding \$500,000 to be submitted to the committee. The bill also requires an agency that recalls and then readopts a rule that required a fiscal impact statement from OMB to resubmit sufficient information to OMB so that OMB may determine whether the initial fiscal impact statement needs to be revised.

Review of Rules by the Administrative Rules Oversight Committee: The bill authorizes the committee to review the fiscal impact of rules that have an economic impact of \$500,000 or less.

Other Provisions: The bill corrects a technical error in HEA 1055-2013 resulting from the failure to include an emergency rulemaking provision that was subject to recodification in HEA 1055-2013.

Effective Date: Upon passage; July 1, 2013.

Explanation of State Expenditures: *Review of Rules by the Administrative Rules Oversight Committee:* This bill allows the Administrative Rules Oversight Committee to review the fiscal impacts of rules that have an economic impact of \$500,000 or less. Under current law, the committee is required to review rules with a fiscal

impact, including economic impact, exceeding \$500,000. The bill could potentially increase the number of committee meetings required to address the direct economic impacts for proposed rules under the bill. Additional meetings would increase the per diem and travel expenses of the committee.

During the CY 2010-2012 period, the average number of proposed rules was about 100 annually. It's estimated that about 10% of these rules had an economic impact exceeding \$500,000.

Background Information - The Administrative Rules Oversight Committee has not met since the 2008 interim. The committee met 3 times and had expenses of \$3,547 in 2008.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Legislative Services Agency; Office of Management and Budget; Administrative Rules Oversight Committee.

Local Agencies Affected:

Information Sources: Brian Bailey, Office of Management and Budget, 317-234-8538.

Fiscal Analyst: Jessica Harmon, 317-232-9854.